Province of Nova Scotia
Attorney General

Public Trustee

Financial Statements

and

Report on the Audit

Year ended March 31st, 1985

THE PUBLIC TRUSTEE OF THE PROVINCE OF ONTARIO

Financial Statements and Report on the Audit Year ended March 31, 1985

Ontario

Ministry of the Attorney General

Office of the Public Trustee

416/362-1331

145 Queen Street West
Toronto, Ontario
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SIXTY-FIFTH ANNUAL REPORT OF THE PUBLIC TRUSTEE 1984-85

Perfection in any arena of life is a rare commodity. Sometimes the failure to achieve that standard leaves us vulnerable to our own sense of dissatisfaction and depression or to criticism by others. A realistic appraisal of the results, however, might well entitle us to a sense of achievement and the congratulations of those that we would serve.

Recently we touched on this thought in considering our staff complement. We recognized that 5 per cent of our employees left something to be desired in ability, attendance, effort or punctuality. Looking at this positively, however, we realized that 95 per cent of our staff were good people, honestly trying to accomplish a worthwhile purpose.

While lack of perfection may not be a reason for criticism, high percentages are equally not a ground for complacency.

The financial information on the following pages disclose that over the last ten years, while the staff complement has remained fixed, the value of assets under administration, the income earned and the net profit have all increased greatly. Financially, I think it is clear that the Office of the Public Trustee has been successful.

For an Office like the Public Trustee, however, financial success is not the only criteria.

Like its staff complement, the duties and obligations of the Public Trustee have remained consistent during the last ten years, but in the same decade there have been dramatic changes in the method of treatment and placement of mental incompetents, the equipment available for improved record-keeping and communication, and the thirst of the public for more information.

The Public Trustee should not be perceived as an isolated and insensitive bureaucracy. To avoid this it is probably essential to re-define the mission of the Public Trustee. With our mission in mind, there is room for improvement in:

(a) Communications through the relaxation of the confidentiality requirements of the Public Trustee Act, staff training and improved switchboard equipment;

(b) Information distribution by the re-design and modernization of our Data Processing and Word Processing Systems and minor additions to the staff complement;

(c) Publicizing the services and requirements by all means possible; and

(d) The efficiency of time by the use of such technical devices as the electronic transfer of funds, the quicker production of accounts and financial statements and the faster turn around time on the reply to letters or requests for information.

I suggest that satisfactory service must be equal to or greater than satisfactory profit.

Respectfully submitted,

A. J. McCOMISKEY
Public Trustee

THE PUBLIC TRUSTEE OF THE PROVINCE OF ONTARIO

BALANCE SHEET AS AT MARCH 31, 1985

ASSETS	1985	1984
ESTATES AND TRUSTS		
Cash in bank	$ 211,868	$ 187,930
Receivable from Administration Fund Account	—	102,198
Funds invested (schedule A)	111,215,016	105,065,016
Bonds	126,969,443	113,915,768
Stocks	8,206,013	9,320,650
Mortgages receivable	2,114,491	2,968,881
Real estate	30,606,147	30,455,960
Life insurance	2,020,666	2,031,004
Miscellaneous	4,204,926	3,776,133
	285,548,570	267,923,540
Deduct mortgages payable	827,950	935,102
	284,720,620	266,988,438
ADMINISTRATION FUND ACCOUNT (note 2)		
Cash in bank	109,934	111,328
Funds invested (schedule A)	24,291,883	17,591,883
	24,401,817	17,703,211
	$ 309,122,437	$ 284,691,649

LIABILITIES		
ESTATES AND TRUSTS		
Patients' estates	$ 209,880,223	$ 197,322,610
Crown estates	26,414,842	24,389,091
Deceased persons' estates	6,855,918	7,129,875
Probable escheats	9,914,357	8,278,648
Special trusts and charities	17,485,399	17,382,866
Corporate estates	6,309,312	5,023,099
Crown companies	914,967	706,817
Indian trusts	144,445	164,496
Unclaimed balances	781,771	708,931
Cemetery trusts	5,964,384	5,829,400
Child welfare trusts	55,002	52,605
	284,720,620	266,988,438
ADMINISTRATION FUND ACCOUNT (note 2)		
Current liabilities	457,850	584,760
Payable to Estates and Trusts	—	102,198
Assurance Fund (note 3)	200,000	93,633
Surplus	23,743,967	16,922,620
	24,401,817	17,703,211
	$ 309,122,437	$ 284,691,649

See accompanying schedules and notes to financial statements.

THE PUBLIC TRUSTEE OF THE PROVINCE OF ONTARIO

STATEMENT OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31, 1985

	1985	1984
REVENUE		
Fees collected		
Patients' estates	$ 4,671,149	$ 4,156,806
Crown estates	935,208	680,466
Deceased persons' estates	143,871	136,077
Probable escheats	117,380	104,904
Crown companies	14,676	22,774
Special trusts	265,552	279,595
Corporate estates	28,844	13,600
Cemetery trusts	36,402	31,979
Charities	67,365	72,754
	6,280,447	5,498,955
Bank interest	8,314	8,406
Income from funds invested, net (schedule B)	6,140,355	4,878,530
	12,429,116	10,385,891
EXPENDITURES		
Salaries and wages	3,889,346	3,741,635
Employee benefits	520,512	536,337
Transportation and communication	140,805	179,960
Services	769,913	661,597
Supplies and equipment	180,826	286,588
	5,501,402	5,406,117
	$ 6,927,714	$ 4,979,774

STATEMENT OF SURPLUS

YEAR ENDED MARCH 31, 1985

	1985	1984
BALANCE AT BEGINNING OF YEAR	$ 16,922,620	$ 24,392,846
Excess of revenue over expenditures	6,927,714	4,979,774
	23,850,334	29,372,620
Transfer to the Assurance Fund (note 3)	106,367	—
Transfer of Province of Ontario bonds to the Consolidated Revenue Fund	—	12,450,000
BALANCE AT END OF YEAR	$ 23,743,967	$ 16,922,620

See accompanying schedules and notes to financial statements.

THE PUBLIC TRUSTEE OF THE PROVINCE OF ONTARIO

DETAILS OF FUNDS INVESTED

AS AT MARCH 31, 1985

SCHEDULE A

	1985	1984
Short term investments	$ 57,614,079	$ 44,910,251
Bonds (schedule C)	75,239,676	75,225,973
Accrued interest	2,496,236	2,434,473
Cash in bank	156,908	86,202
	$ 135,506,899	$ 122,656,899
Allocated as follows:		
Estates and Trusts	$ 111,215,016	$ 105,065,016
Administration Fund account (note 2)	24,291,883	17,591,883
	$ 135,506,899	$ 122,656,899

INCOME FROM FUNDS INVESTED

YEAR ENDED MARCH 31, 1985

SCHEDULE B

	1985	1984
Interest earned on investments	$ 12,355,826	$ 10,583,918
Interest earned on bank accounts	216,649	163,640
Gain on transfer of bonds to the Consolidated Revenue Fund	—	11,279
	12,572,475	10,758,837
Deduct interest allowed	6,432,120	5,880,307
Income from funds invested, net	$ 6,140,355	$ 4,878,530

DETAILS OF BONDS

AS AT MARCH 31, 1985

SCHEDULE C

	Par value	Amortized cost
Ontario Hydro	$ 75,687,000	$ 75,239,676

See accompanying notes to financial statements.

THE PUBLIC TRUSTEE OF THE PROVINCE OF ONTARIO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 1985

1. SUMMARY OF ACCOUNTING POLICIES

(a) Basis of accounting

Fees collected and bank interest are recorded on a cash basis of accounting which, for expenditures, is modified to allow an additional thirty days to pay for goods and services pertaining to the fiscal year just ended. In this regard, payments to employees for the pay period which overlaps the fiscal year end date are apportioned between the two years. Net income from funds invested is recorded on an accrual basis.

(b) Funds invested

Funds are invested in income producing securities which are normally held until their maturity. Such securities are traded only if any resultant loss on sale can be recovered through investment in replacement securities prior to the maturity date of the securities being traded. Accordingly, the securities are recorded at cost adjusted for the amortization of premiums or discounts on purchase.

(c) Stocks and bonds of Estates and Trusts

Stocks and bonds for all Estates and Trusts, except Cemetery Trusts, are recorded at the value of the stocks and bonds at the time of taking over of the Estates and Trusts with an annual adjustment to market value at December 31 each year. This valuation is determined by the Public Trustee's security department. The bonds of Cemetery Trusts are valued at par.

(d) Real estate

Real estate is recorded at appraised value at time of incorporation of the trust and is subject to periodic subsequent adjustments.

(e) Life insurance

Life insurance is recorded at its cash surrender value at the time of taking over of the Estates and Trusts.

(f) Pensions

Pensions are recorded as received.

(g) Fixed assets

Fixed assets are recorded as expenditures when purchased.

2. ADMINISTRATION FUND ACCOUNT

The Administration Fund is the operating account of the Public Trustee. It is used to accumulate fees charged each estate for services, as prescribed by the regulations under the Public Trustee Act.

Cash balances in the Administration Fund which are not required for operating purposes are invested along with the cash funds of Estates and Trusts. The Administration Fund receives the net interest income of these investment activities, after interest is allowed on the funds of Estates and Trusts in accordance with regulations under the Act.

All operating expenses of the office of the Public Trustee are paid from the Administration Fund.

The Lieutenant Governor in Council may from time to time direct the payment into the Province's Consolidated Revenue Fund of any balance at the credit of the Administration Fund. The most recent such direction was made by Order in Council dated October 21, 1983 whereunder Province of Ontario bonds were transferred at their par value of $12,450,000 out of the funds invested by the Administration Fund into the Consolidated Revenue Fund of the Province.

3. ASSURANCE FUND

The regulations under the Act provide that an Assurance Fund be established to meet losses for which the office of the Public Trustee might become liable. At the direction of the Advisory Committee, transfers from the Administration Fund in the amounts of $25,000 and $175,000 were made in September 1942 and March 1957, respectively. A resolution of the Advisory Committee on September 25, 1974 recommended the continuance of this Fund in the amount of $200,000.

Direction was received from the Advisory Committee on September 27, 1984 to transfer $106,367 from the Administration Fund to re-establish the Assurance Fund at $200,000, reflecting the losses of $106,367 realized by the Assurance Fund in the previous year.

Ontario

Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
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416/965-1381

To the Public Trustee of the Province of Ontario and
to the Attorney General.

I have examined the balance sheet of the Public Trustee of the Province of Ontario as at March 31, 1985 and the statements of revenue and expenditures and surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Public Trustee of the Province of Ontario as at March 31, 1985 and the results of operations for the year then ended in accordance with the accounting policies described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Public Trustee and to the Attorney General.

D.F. Archer

Toronto, Ontario,
June 7, 1985.

D.F. Archer, F.C.A.,
Provincial Auditor.

STATISTICAL REVIEW

	As at March 31st	
	1985	1984
Assets under Administration	$309,122,437	$284,691,649
Revenue	12,429,116	10,385,891
Operating Expenses	5,501,402	5,406,117
Excess of Revenue over Expenditure	6,927,714	4,979,774
Surplus	23,743,967	16,922,620
Cash Receipts	118,841,189	111,036,454
Public Trustee Investments at Book Value	132,853,755	120,136,224
No. of Files - Estates and Trusts	23,404	23,889
No. of Files - Charities	39,963	38,127
No. of Staff - Permanent	154	153
Contract	0	1

STATUTES AFFECTING THE PUBLIC TRUSTEE

ONTARIO

Bulk Sales Act — R.S.O. 1980, c. 52

Business Corporations Act — S.O. 1982, c.4

Cemeteries Act — R.S.O. 1980, c. 59

Charitable Gift Acts — R.S.O. 1980, c. 63

Charities Accounting Act — R.S.O. 1980, c. 65

Compensation for Victims of Crime Act — R.S.O. 1980, c. 82

Co-operative Corporations Act — R.S.O. 1980, c.91

Corporations Act — R.S.O. 1980, c.95

Courts of Justice Act S.O. 1984, c.11, and Rules of Civil Procedure

Crown Administration of Estates Act — R.S.O. 1980, c.105

Developmental Services Act — R.S.O. 1980, c.118

Escheats Act — R.S.O. 1980, c.142

Estates Administration Act — R.S.O. 1980, c.143

Family Benefits Act — R.S.O. 1980, c.151

Family Law Reform Act — R.S.O. 1980, c.152

Homes for Special Care Act — R.S.O. 1980, c.202

Human Tissue Gift Act — R.S.O. 1980, c.210

Mental Health Act — R.S.O. 1980, c.262

Mental Hospitals Act — R.S.O. 1980, c.263

Municipal Tax Sales Act — S.O. 1984, c.48

Powers of Attorney Act — R.S.O. 1980, c.386

Public Trustee Act — R.S.O. 1980, c.422

Religious Organizations Lands Act — R.S.O. 1980, c.448

Succession Law Reform Act — R.S.O. 1980, c.488

Surrogate Courts Act — R.S.O. 1980, c. 491

Trustee Act — R.S.O. 1980, c.512

Workers' Compensation Act — R.S.O. 1980, c.539

BY CONSENT, PUBLIC TRUSTEE ACCEPTS TRUSTS PURSUANT TO:

1. Department of Veterans Affairs Act — R.S.C. 1970,c.V-1

2. Indian Act — R.S.C. 1970, c.1-6, as amended

3. Absentees Act — R.S.O. 1980, c.3

4. Mental Incompetency Act — R.S.O. 1980, c.264

ORGANIZATION CHART — OFFICE OF THE PUBLIC TRUSTEE